

**PUBLIC HEARING**

***Long Island Power Authority***

***Legislative Oversight Committee***

**Verbatim Minutes**

A Special Meeting of the LIPA Oversight Committee of the Suffolk County Legislature was held in the Maxine S. Postal Legislative Auditorium of the Evans K. Griffing Building, 300 Center Drive, Riverhead, NY 11901, on June 13, 2011 at 2:00 P.M.

**Members Present:**

Matthew C. Cordaro - Co-Chair/Electric Utility Expert  
Sheldon R. Sackstein - Co-Chair/Energy Expert  
Peter G. Schlussler - Electric Utility Expert  
Irving Like, Esq. - Energy Expert  
Joseph Schroeder - Energy Expert/Suffolk County Legislature  
Fred Gorman - Nesconset Sachem Civic Organization

**Also in Attendance:**

Legislator Edward P. Romaine - 1st Legislative District  
Legislator Wayne R. Horsley - 14th Legislative District  
Legislator Tom Cilm - 10th Legislative District  
Bill Faulk - Aide to Legislator Romaine  
JP DiMartino - Aide to Legislator Horsley  
Brendan Chamberlain - Assistant to the County Executive  
Vincent Frigeria - NYPA - Director/Public & Governmental Affairs  
Claude Solnik - Long Island Business News  
Lawrence Britt - Concerned Citizen/Village of Port Jefferson  
Everett Haugh - Concerned Citizen/Village of Port Jefferson  
Rose Van Guilder - Alliance for Independent Long Island  
Charles Lane - WSHU  
Mark Seratoff - Coordinator/Sustainable Energy Alliance of Long Island  
Jane Fasullo - The Sierra Club  
Paul Malik, P.E. - Self-Represented  
Carmine Vasile - Self-Represented  
Peter Quinn - Suffolk County Electrical Agency  
Peter Maniscalco - Energy Analyst/Environmental Educator  
Elizabeth Rizzo - Self-Represented/Resident of East Patchogue  
Deb Colton - Next ERA Energy  
David Dwee - School District Attorney  
Don Daley - Local 1049/IBEW  
All Other Interested Parties

**Verbatim Minutes Taken By:**

Alison Mahoney - Court Reporter

*(\*The public hearing was called to order at 2:06 P.M. \*)*

**CO-CHAIR CORDARO:**

Okay, we'll get started. Welcome, everyone, to this public forum being held by the Suffolk County Legislature's LIPA Oversight Committee. My name is Matthew Cordaro and I serve as Co-Chairman of this committee.

As the notice of hearing states, there have been many concerns in the media as of late on the operations and practices of the Long Island Power Authority and there's been many responses to that news-breaking material. The Governor has ordered the State Inspector General to audit LIPA, New York State Legislators have proposed bills in the State Legislature to impose regulatory oversight over LIPA, and many experts have offered opinions on what action it takes.

Excuse me, I'm out of order. Before we do anything, we should have the Pledge of Allegiance.

***Salutation***

Sorry about that. I'm new at this, at least on Suffolk County Legislature turf.

Now, with all that being said and all the news that we've had relative to LIPA, it's time for the public to be heard, and that's our primary reason for holding this forum. And it's unusual in the sense that most public forums dealing with LIPA issues have been sponsored, overseen and controlled by LIPA. This is one of the few forums that I'm aware of where the public's had an opportunity to speak about LIPA operations and issues outside of LIPA actually scheduling and conducting the meeting.

The purpose of this forum is to solicit public feedback with respect to the numerous LIPA issues out there. And the Oversight Committee has been busy since its formation after the first of the year and starting in -- with our first meeting on March 2nd, and we've highlighted a number of areas that need to explore -- need to be explored as far as LIPA is concerned and we list them in the agenda that was handed out at the door and we'd hope that the public would address some of these issues, and they include such things as cost of electric service, storm repair costs, energy efficiency and renewable programs, the different contracts that LIPA is involved in, LIPA's investment practices and the future structure of LIPA. Should LIPA remain a public authority and what type of governing structure should be employed at LIPA?

LIPA's response to Comptroller audits is another area of concern to us, and the need for -- and probably most important, the need for independent oversight, independent regulatory oversight of LIPA.

We hope to hear from you on these issues, but no member of the public is restricted to these issues, you can cover or address anything on your mind or anything that concerns you with respect to LIPA.

We're going to -- we have two public officials, elected officials here who we'll hear from and -- oh, we have three, I'm advised. And we'll start off with one public official and then we'll start with members of the public and then we'll mix in some -- the other two elected officials. But speaking first -- well, before I even get to call on anyone to speak, a little bit more about the process.

We're going to limit speakers to five minutes because of the need to hear from everyone and give everyone adequate time to respond. We're up here, up front, members of the Oversight Committee will not be asking questions other than maybe a question for clarification, as well as requesting the public not to ask questions. Because we don't want to take up too much time and dialogue and cut some people off and not give them an adequate opportunity to be able to present what they're here to talk about. But we will keep a clock on the time and so you will hear if you go beyond five minutes. If it appears that we have more than enough time at this hearing because of the number of people wishing to speak, we may lengthen the amount of time that we allow people to speak, but

it remains to be seen what kind of progress we make and how far we can go. You are welcome to submit much more extensive commentary in writing to us at any point. You're also welcome to attend other public hearings, and I'll talk a little bit about that later, later in the year that we'll have. Our purpose at this forum is to listen and gather information for our deliberations and that's what we're here to do.

Before we call our first speaker, we should introduce ourselves up front here. We're missing one of our members, we hope that he's on his way and will show up shortly, but we want to move on with the hearing. But as I said at the outset, my name is Matthew Cordaro, I am the Co-Chair of the Legislature's LIPA Oversight Committee. My background consists of over 40 years of utility and energy business experience. I've been a Senior Executive in the private utility industry, the President of an alternate energy company and the CEO of two public utilities, and for the last ten years I've served in academia as the Dean of two schools of business at two Long Island colleges. And so that's what I've been up to most recently.

Now with that, I'm going to ask the other members of the committee to briefly introduce themselves and then we'll start with the public comments. Let me start to my right.

**MR. LIKE:**

Good afternoon. My name is Irving Like. I joined this committee in order to present as forcefully as I can the option of recreating LIPA as a publicly-elected ratepayer board with the candidates being volunteers who are qualified.

When LIPA was created, the initial draft, which was enacted by the Legislature, called for a ratepayer-elected board; that did not take place. And I think you will hear today a number of things that need to be done to reform LIPA, but my position is that if you want assurance that they will be carried out, you've got to have a board that's accountable to the ratepayers.

My own professional experience in the area of energy has been primarily as Special Counsel to the Suffolk County Government in opposition to the Shoreham and Jamesport nuclear plants and several LILCO rate cases. I was also involved in energy issues as Counsel to Nassau and Suffolk County in the mid Atlantic, off-shore drilling project.

On the volunteer end, I've also spent a good deal of professional time representing citizen organizations who have had objectives which I think are in the interest of the County. One of them, for example, was the organization known as Citizens to Replace LILCO which worked very rapidly to replace the old LILCO with a publicly-elected board. I also was Counsel to the committee that proposed the establishment of the Fire Island National Seashore in opposition to a "Moses" Road, and I was a member of the Suffolk County Charter Revision Commission which adopted a Nature Preserve Cause to determine land uses in very precious areas. And lastly, I was Chair of the Law Committee of the Agent Orange litigation which had its birth as a result of a group of Long Islanders who banded together and said that the veterans were not getting a proper deal.

So I've got a lot of pride in this County, and the reason I'm on this committee is because I have such faith in the County government and in the people of the County.

**CO-CHAIR CORDARO:**

Fred?

**MR. GORMAN:**

Hi. My name is Fred Gorman, I live in Nesconset. I've lived in Long Island my entire life. I love this Island. I love my family. I'm one of the luckiest people in Long Island. My children live within blocks of where I live; I'd like that for all other Long Islanders. And if we allow LIPA and National Grid and the rest of the actors to continue the way they are, it's becoming more and more

impossible. So I'm here, I'm here to fight, and I'm a person that's spent 20 years on the other side. Those are my credentials. When I say the other side, it's where you're sitting.

**CO-CHAIR CORDARO:**

All right, let me start to my left. Peter?

**MR. SCHLUSSLER:**

My name is Peter Schlusser, I work for Suffolk County. Thank you.

**MR. SCHROEDER:**

Good afternoon. My name is Joe Schroeder, I'm the Energy Specialist for the Suffolk County Legislature. I have approximately 13 years experience with utility on gas and electric issues, and prior to that was involved in the construction industry in energy-efficient design and construction.

**CO-CHAIR CORDARO:**

Okay. With that, let's start with our first speaker. Could I ask Legislature -- Legislator Thomas Cilmi to speak?

*(\*Sheldon Sackstein entered the meeting at 2:18 P.M. \*)*

**LEG. ROMAINE:**

Shelly is here.

**LEG. CILMI:**

Thank you, Mr. Chairman. Just for the sake of our stenographer, I didn't want to yell out from my chair, but I'm really here more to listen than to speak. Oftentimes we get accused of speaking too much and not listening enough, so I'm going to take that advice and just listen. Thanks very much. I appreciate the work that the committee is doing, it's very important.

**CO-CHAIR CORDARO:**

I might point out that we've just been joined by Shelly Sackstein who is Co-Chair of the LIPA Oversight Committee. Welcome, Shelly.

**CO-CHAIR SACKSTEIN:**

Thank you.

**CO-CHAIR CORDARO:**

All right, let's hear someone from the public to kick things off, and I'm taking these at random. Mark Seratoff.

**MR. SERATOFF:**

Good afternoon. I'm Mark Seratoff, Coordinator of the Sustainable Energy Alliance of Long Island. For whatever reasons, Chairman of the LIPA Board and Trustees, Howard E. Steinberg of the law firm McDermott, Will & Emery LLP is pushing to privatize a New York State government chartered Long Island Power Authority. From the New York State Comptroller's website, "Public authorities are corporate instruments of the State created by the Legislature to further public interests. Some public authorities are completely self-supporting and corporate and operate entirely outside the budget process while others rely on State appropriations to fund operations."

In addition, most authorities are authorized to issue bonds without voter approval to develop and maintain infrastructure. Privatizing LIPA will result in significantly higher rates because a public corporation must produce profits and dividends for the shareholders, authorities do not. Also, authorities have lower rates for borrowing compared to companies because they are governmental agencies. Also, an authority chartered to, "Further public interests," is more disposed to engage in

projects like updating power plants and transmission facilities, interconnections and renewable energy. Projects such as modernizing the antiquated, inefficient, highly polluting fleet of National Grid power plants is more likely and definitely in the public interest.

From a study of the Center for Management Analysis of CW Post, some benefits of repowering these power plants are a 90% reduction or more in pollution, a doubling at minimum, generator output, job creation, more tax benefits to host communities, less reliance on foreign oil, lower medical and health care costs and greater reliability.

I would just like to add, LIPA and Con Edison are contemplating a merger to create a 700-megawatt wind farm in the Atlantic at a cost of approximately \$7 billion. This is for theoretical output of 700 megawatts, and wind power is variable, usually it's much less than that amount. And for less than half of that amount, \$7 billion, maybe two or three billion, Northport can be repowered and rebuilt which would more than double the output; it's currently 1,500, 50 megawatts, so you'd get over 3,000 megawatts by rebuilding Northport and with all the other advantages that I mentioned.

So my question is is seven billion, in a partnership with Con Ed, the best way to spend the money to create 700 megawatts? While concluding, privatizing LIPA is not in the public interest, full municipalization is. Thank you.

**CO-CHAIR MATT:**

Thank you very much, Mark. Next, could I call on Jane Fasullo.

**MS. FASULLO:**

Hi. I think you actually have chosen those cards in reverse order.

Okay. I am Jane Fasullo, I represent The Sierra Club of Long Island and I am about to read a statement from our Energy Chair which we have approved.

*"As you know, LIPA purchases the electric from off the Island sources which distributes to Long Island as well as having production here on Long Island. Since we have no oil, natural gas or coal deposits here, the entire cost of fuel represents money that our citizens and businesses send off the Island to other parts of the country and to the world. Those funds are not available to be recycled in the local economy or to create jobs. The majority of those fossil fuels are burned on Long Island in old, inefficient and polluting plants formerly owned by LILCO,"* which as a side note here I'd like you to know, I'm an outreach person and 99% of the people on Long Island that I've spoken to haven't a clue that LIPA is not LILCO. They still think LIPA's a private, for-profit company.

*Anyway, "LILCO is now owned by National" -- I'm sorry. "The plants are now owned by National Grid and operated under a contract to LIPA. We breathe the sulfur dioxide, carbon monoxide, carbon dioxide and many other noxious products from the burning of the fossil fuels used on Long Island to generate our electricity, particularly since the winds that carry these airs dominate from the west and bring them to all of us."*

*"There are two complimentary approaches to the problem and LIPA is pursuing both of them at this moment. The first is promoting efficiency and the use of our energy. By properly insulating buildings, we can reduce the amount of electricity needed to heat and cool them, replacing old and inefficient motors and lights with more efficient ones, reduce the power used and the concurrent cost for operating them while providing the same functionalities they had before. Greater efficiency reduces the need to burn fossil fuel, thus less air pollution and less money sent off-Island."*

*"LIPA has made a good start in a multi-year program to encourage and subsidize efficient energy use, though we would like to see it move faster and be a more comprehensive program. The second approach is to generate more power from sources such as wind, sun, waves and currents, all of which are non-polluting, non-depleting and free. While they may be more costly initially, they*

*could be paying off 20 or 30 years down the road when we do not have to pay for fuel."*  
*"LIPA has been a leader here, too, offering subsidies to homeowners and businesses to install rooftop solar panels and backyard wind turbines.*

*While LIPA subsidies for such systems have decreased, so has the purchase pricing. And the rebates have been sufficient to jump start a small local industry of solar installers which you can see any time you go to an energy fair. In a few years, as fossil fuel costs rise, these subsidies will become less important, but in the meantime they have resulted in an economic benefit to Long Island and a transition to renewable energy instead of fossil fuels that will carry us into the 21st Century."*

*"While the Sierra Club continues to exert pressure on Long Island Power Authority, homeowners and businesses to do more in the area of efficiency and renewables, the fact is that LIPA is still way ahead of the investor-owned utilities in New York State, and this is no accident. LIPA, as a public authority, is effectually owned by the people of Long Island. The interest it pays on its debt is exempt from Federal income taxes, so it can borrow at lower interest rates than Con Ed or other investor-owned utilities. It's priorities all relate to the people who live and work on Long Island. Reliability, cost control, energy efficiency, renewable sources of fuel and greenhouse gas reduction; none of these would profit investors. This is especially relevant today because as an oddity of Long Island's structure. While it is a public authority and owns the transmission lines, substations and such, it out-sources the work needed to maintain them to commercial entities. Workers in the field are employees of the profit-making company National Grid and they work under a Management Services Agreement with LIPA. This contract expires in approximately a year and is out for bid currently."*

*"It has been suggested that combining all the facets and people under one organization would result in greater efficiency and lower cost. A committee of the LIPA Board of Trustees in conjunction with an outside consultant is actually studying that question at the moment. Unfortunately, the LIPA Board Chairman, Mr. Howard Steinberg, has reached a conclusion and stated publicly that privatization of LIPA would be a good thing. We think not; we think this would be a disaster for Long Island. We've been there before with LILCO and it was not a good thing. LIPA, unlike LILCO, is a leader in energy efficiency and renewable generation. Turning it into an investor-owned corporation would result in corporate profits being put ahead of clean and efficient energy programs which nurture the LILCO renewable industry now in its infancy. And profit making" -- sorry. "Profit making would become a priority over the health of Long Islanders. Making our energy supplier investor-owned would be a boom to Wall Street and a tragedy for our people. Should the present structure of LIPA be found inefficient, the proper course would be to have LIPA directly employ those who work on its systems. It should become a municipal utility providing a service to Suffolk and Nassau counties. Freeport, Rockville Centre and Greenport already have such small municipal utilities and they can serve as models. Thank you for your time."*

One other comment I would like to make, which is more personal, specifically to the notes I just picked up. You asked the question, "What is the level of customer satisfaction with LIPA and how could that best be measured on an ongoing basis?" Again, I want to repeat to you that in my outreach capabilities with The Sierra Club, I have time and time again found people who do not really know what LIPA is. And so it concerns me to a great extent that we are trying to form an entity looking at whether it should be private or public and the people don't know what it is even now; that should be taken under consideration.

You also asked the question, "Independent oversight of LIPA; should LIPA be subject to formal regulatory oversight?" Unequivocally yes. Thank you.



**CO-CHAIR CORDARO:**

Thank you. I just want to remind those in the audience, if you have any intention of speaking, please fill out a card and pass it up here if you want to speak. Thank you.

With that, let me call on Legislator Ed Romaine to make some remarks.

**LEG. ROMAINE:**

First of all, I want to thank all the members of this board. Someone asked about oversight of LIPA, do I believe that LIPA should have oversight? Unequivocally LIPA should have oversight, but the structure that it currently has doesn't allow that oversight. That is why myself and my colleague, Legislator Wayne Horsley, drafted this board to look into things. And one of the first things that this board did look into was the storm costs, with the help of Long Island Business News and the help of national public radio and some members of this board. And what they found, shockingly, is a lot of these storm costs were erroneous, not related to the storm at all. And we've demanded -- because as you know, we had 26 storms in 2010, all of these are on spreadsheets -- that those spreadsheets be put on their web page. I got a letter from LIPA that said they'd be willing to do that, but they'd have to review these costs before they put them up. Well, they certainly didn't review them before they've been paid because all of these costs have been paid. So did you pay them erroneously? Did you waste our money? I mean, that's a question that we have to ask.

The other question is this was set up as a municipal utility. The last time I looked, municipal utilities are exempt from sales tax. Why in the last 12 years has LIPA paid over a \$100 million in sales tax? I've asked for the New York State Comptroller to do a complete audit of that and I know this is a concern of this Oversight Committee.

There is the question of whether LIPA should remain a public authority or whether it should be privatized. I have to tell you, just from my perspective as a sole Legislator, privatizing LIPA would be a huge mistake. Continuing LIPA under the current arrangements where you have maybe a hundred people who are middle management and National Grid does the work, again, I think would be a mistake. I think LIPA should be a full-blown public utility, and any suggestions to the contrary I think have to be carefully examined. Privatizing LIPA may benefit those in Wall Street and private investors at the expense of the ratepayers.

The question is also should the Board of Trustees be elected or appointed? As you know, they're appointed now; that was not the promise that was given to me as a County Legislator in the late 80's when I served when there was going to be transition from LILCO to LIPA. We thought we were going to get an elected board, someone responsible. Absent an elected board, there needs to be some type of oversight of LIPA, whether it's a municipal utility or not.

Finally, I'd like to talk about some of the other major issues that confront us. We have a Management Service Agreement and a public service -- a Public Supply Agreement that is coming due, that is going to be worth billions. It's up for renewal and that's something we have to consider very carefully, and I know this oversight board will do that. Whether National Grid should continue in its role or not, I have a lot of questions concerning that.

Clearly, one of the things that I want to see as a County Legislator in a County that has one of the worst impacted air qualities of any metropolitan County is cleaner plants. Whether we repower or we build plants like Caithness or we use, which I would prefer, renewable power to reach that goal, there should be a long-term goal that every utility takes -- is set up, provides much cleaner power than is currently being done.

As far as the other big elephant in the room, the \$6 billion debt that we have, I don't believe any of that debt has been retired; in fact, I think that debt is growing. And I have to tell you, as a County Legislator in the 80's and again now, I opposed the effort to place the debt on the back of this

utility. That was a LILCO debt. LILCO was a private invested -- investment-owned company, investors took the risk. But the debt that they took on from the Shoreham plant got put on the back of the ratepayers; in my view, that was absolutely wrong. And until we resolve the issue of the debt, which is something that State government needs to be move deeply involved in, we will not have an efficient utility to serve all of Long Island.

Again, I want to end by thanking you for all the work that you've done. I know that you're looking into a whole host of other things and it's been my pleasure to be associated and working with you. Thank you again.

**CO-CHAIR CORDARO:**

Thank you, Legislator Romaine.

**CO-CHAIR SACKSTEIN:**

If I could, please, for a moment? Legislator Romaine, I'd like to ask you a couple of questions.

**LEG. ROMAINE:**

Sure.

**CO-CHAIR SACKSTEIN:**

You spoke about the Management Services Agreement and that it's coming up for renewal, I think the lady before you spoke about it, that it's going to be due in about a year. As you know, I personally at Action Long Island have been pushing very hard to have this finally put out to bid, legally put out to bid, which it has never been done before.

**LEG. ROMAINE:**

If I'm not mistaken, you were excluded from the bidder's conference.

**CO-CHAIR CORDARO:**

That is absolutely true; we'll come to that second part which was the transparency. How do we slow this process down at this moment? Because our concern is that if this decision or these agreements are signed, could that, would that potentially preclude us from making a reasoned decision on whether or not to municipalize or privatize? Will we be bound by contracts that will force us in one direction or another and could the Legislature help us to slow this process down?

**LEG. ROMAINE:**

Well, I'm sure that the Legislature -- this Oversight Committee is a committee of the Legislature, it's an independent committee that reports to the Legislature. Your reports are going to be taken very seriously, and I personally will want to make sure that your reports are given the careful consideration that they deserve.

The Legislature has in the past, with the Shoreham Nuclear Power Plant and other decisions involving LILCO, stepped up to the plate. And I'm sure with a major decision such as this which is going to affect the delivery of power on Long Island, that the Legislature will play a role if there's a role to play and if there's a strong recommendation from this Oversight Committee.

**CO-CHAIR CORDARO:**

Thank you.

**LEG. ROMAINE:**

Any other questions?

**CO-CHAIR CORDARO:**

Thank you, Legislator Romaine.



**LEG. ROMAINE:**

Thank you.

**CO-CHAIR CORDARO:**

Let me call on Legislator Wayne Horsley.

**LEG. HORSLEY:**

Good afternoon, gentlemen. And first let me just start with a comment that Legislator Romaine said where he talked about -- and if you look up LIPA's website, they talk of a debt that has been accumulated since LILCO of six to \$7 billion. Well, I would -- I would estimate that that figure as being much higher, more in the realm of about \$9 billion. I have reasons for that belief, but I think that is something that will come out in the future, that that debt is more serious than originally projected, at least projected on their website.

Guys, I'd like to thank you, the LIPA Oversight Committee, for your service. It is a critical service. Our energy future is now being determined for decades to come, and the fact that you're sitting here deliberating it and talking to the public is truly a service to our community and to Suffolk County. You know, many of us, you guys included, have been part of the chorus of criticisms of LIPA, including myself, from accounting practices to overcharging ratepayers and the list goes on and on. But I want to just -- this is unlike me, I realize, but I want to say something kindly to LIPA in the last couple of days. I applaud them for a recent turnabout; if you've noticed in the paper where they are demanding accountability from National Grid and managing the region's energy business affairs. This is a very positive step in my mind. No longer can LIPA be Long Island's whipping boy, and they should take -- they should take on the mandle of an oversight agency; an oversight agency which they were chartered to be. And I think in many ways they have relinquished that into a level of subservants to the National Grid contract.

This year the trustees are studying the future of LIPA and what will be the structure of our next energy provider. You know, do we -- as mentioned before, do we privatize? Do we municipalize? Do we keep the status quo or some form of the status quo? This is debate that must be a public discussion, and that's what you end up doing. And what -- and we must create a public consensus on where we should go for our electrical needs into the future. Not only this debate will determine that future, this debate will also go as The Sierra Club talked about, you know, what will we do with alternate energy? What will we do with repowering? This debate will permanently determine Long Island's economy. This is the trustee's debate; yes, it is, no question about it, but this is also the Oversight Committee's debate. This is Long Island's debate. This debate cannot be shortchanged. And yet as we mentioned before, the Maintenance Service Agreement, the power -- the PSA, the Power Service Agreement, will be issued in 2013. These agreements, as Shelly just mentioned, cannot be let or issued before this consensus direction is determined by Long Island itself. This schedule in which we're working upon is now out of sinc. Will we be able to determine what that agreement is, what those agreements can be if we do not know what is going to lead those agreements? How could you have a maintenance service agreement when you don't know what type of power is going to be provided and by whom? Is it going to be municipal or is it going to be privatized? This schedule is, again, out of sinc.

I'm calling upon LIPA today to provide us with a critical path timeline on how to get to 2013 with our future direction chosen and our agreements in place. Ladies and gentlemen, this is the most critical decision we're going to be making in our generation. *Tempus Fugit*, let's not over-rush this deal. Let's not -- until we make those faithful decisions on where we're going then to have those power agreements in place. It is a serious issue and I thank you guys for being here to lead us to the future. It is a very positive step and I appreciate it. Thanks, guys.

**MR. LIKE:**

Wayne, having listened to Ed and you, it's gratifying, and I think the public should be aware, that you represent a bipartisan consensus --

**LEG. HORSLEY:**

We do.

**MR. LIKE:**

-- as to what needs to be done. And that gives me confidence that something can be done, because if the Legislature gets behind this a hundred percent, that's a recipe for success.

The other point I wanted to make while you're up there is the fact that in 1998 when KeySpan took over from LILCO, KeySpan agreed to clean up all of the manufactured gas plant facilities on Long Island. LIPA has failed miserably in its duty to enforce that agreement, and when you're putting pressure on LIPA as to what they need to do, they've got to get busy and see to it that the agreement with National Grid now is kept faithfully.

**LEG. HORSLEY:**

Irving, I appreciate your comments. As you know, we worked together on the manufactured gas plants. For those who don't know what that is, they are -- they're old gas manufacturing plants that have been left behind from those days in which they made electricity from coal and they are major, major pollutants that are endangering our aquifer. And of course we live on a sole-source aquifer and they have to be cleaned up. They're working on Bay Shore, but there are eleven others out there as well and they have to be addressed. And thank you for bringing that point up, Irving, I agree.

LIPA has, in my mind and going back to those arguments about Bay Shore, they've had a hands-off approach saying that is National Grid's problem, that is KeySpan's problems, that is Brooklyn Union's problems, we don't want to deal with this. But you're right, they are the oversight. They are the oversight of National Grid and they should not advocate their responsibilities, and it is something I feel that they have done on many, many levels. Thank you. Anybody else?

**CO-CHAIR SACKSTEIN:**

Yeah, Wayne?

**LEG. HORSLEY:**

Oh, sure. Hi, Shelly.

**CO-CHAIR CORDARO:**

We talk about getting information from LIPA, and perhaps the Legislature could help us there just as well. In conversations over the last few days with the State Comptroller's Office, we've requested certain information that the State Comptroller has requested of LIPA; they're not giving up any information about anything. So maybe you could help us to do that.

And I guess there's an overarching question that sits out there and that is where's the Governor? Where's Governor Cuomo? Why isn't Governor Cuomo, you know, getting involved in this process? Doesn't he think Long Island is important enough? Doesn't he think that perhaps this is an issue that is unfinished business on the part of his father? So where's Governor Cuomo? Albany is way up there, we're way down here; how can you help us invite the Governor down and have a meeting about this?

**LEG. HORSLEY:**

Well, never one not to throw bombs, Shelly. I appreciate your comments. But what I would say is that I would be certain -- I'd certainly help you in any way possible in getting whatever information

you want from LIPA. That is something that should be shared by the public. This is a -- as I've said before, this is going to be a decision of all of Long Island, not just the Trustees, and they should release whatever information you'd be looking for. I'm not sure what you're looking for, but I agree that it should be a public issue.

**CO-CHAIR CORDARO:**

Well, let me say -- I don't mean to be throwing --

**LEG. HORSLEY:**

My colleague from the 1st -- it is the 1st, isn't it?

**LEG. ROMAINE:**

Yes.

**LEG. HORSLEY:**

Yeah, it is the 1st, said that if you just give us a list of those things that you would be interested in, we could co-chair a letter and we'll see if we can get those items in which you've requested and you have not received.

**CO-CHAIR SACKSTEIN:**

I appreciate it. You know, my own experience as a former LIPA Trustee, at the time I guess Mario Cuomo was at that time the Governor, and in in conversations many times with Richard Kessel as LIPA Trustee, and I think Irv will remember this, Richard always referred to the Governor as the boss, and I can't imagine that the process has changed all that much.

**LEG. HORSLEY:**

He was mine, too.

**CO-CHAIR CORDARO:**

Thank you, Legislator.

**LEG. HORSLEY:**

I appreciate it. Thank you, guys.

**CO-CHAIR CORDARO:**

You mentioned the manufactured gas plants, subjects near and dear to my heart. It's about time something was done in that regard. I first found that problem in the early 1970's and brought it to the attention of management and it's languished in the wings since then, so it's about time that we made some progress in dealing with that problem.

All right, let's get back to the public, and I call Rose Van Guilder.

**MS. VAN GUILDER:**

May I please give you some copies of my statement? This will answer your question. Thank you for allowing me to speak. My name is Rose Van Guilder, I am President of the Alliance for an Independent Long Island.

This past Tuesday I went up to Albany. I was an invited speaker to the LIPA Senatorial hearing. I read the testimony that was given to me by Senator Maziarz after it was typed up, and in the testimony there was something of extreme interest to me and it concerned a particular item and it had to do with Article 18-A. I asked Senator Fuschillo what that had to do about and it concerned a secret tax that is included in our LIPA bill, and this item is a line item under "other expenses" and it says, "New York State Assessment," and this item sends up money to the New York State Legislature and it goes under -- it goes to the General Fund. I asked Senator Fuschillo, "How do we

eliminate it," and he said, "Call Senator Maziarz and ask him to write a bill," and I did so.

The bill was Bill No. 4081 and the Assembly portion of the bill was labeled A-2102. I went on Tuesday to make certain that these two bills were passed in this Legislature. I sent an e-mail. I had 19 appointments on that particular day because these bills were tied up in the Fiduciary Committee with Senator DeFrancisco who was the Chairman of this committee. I had gone to Albany three times just to make certain that these bills were passed. The amount of money that goes up to Albany is \$504 million; I felt that this money could be better spent in paying off the Shoreham debt than going to Albany. So I, therefore, went to Albany and I met Senator Kemp Hannon whose office was in the Capital Buildings next to Senator DeFrancisco.

This was my first meeting with Senator Kemp Hannon and I asked him to help me how I could possibly get this bill out of the Fiduciary Committee, and he said, "Rose, you can't. That bill was killed by the Executive Committee." I said, "Who is in the Executive committee?" He said, "Governor Cuomo." I said, "Can you help me with this?" He says, "Let me see what I can do by speaking to Senator DeFrancisco. I said, "Senator Hannon, I really appreciate your help."

With that, this was my first appointment, I just got in off the train, I went to Senator DiFrancisco's office to set up an appointment with him later in the day. I then went up, made my appointment with him at four o'clock, I went to see all the other Senators, Assemblyman, whoever I had to see, and I informed them that this bill did not have a prayer of passing because it was killed prior to the budget passing. Once the budget was passed, the money had already been allocated in the budget, therefore there was no way it could get passed. So I then sent a very quick e-mail once I got home to all the Senators; If any of you got any of my e-mails, you know my e-mails include 50 to 100 to 200 people.

*"Honorable Senators, I came to the Capital and Legislative building yesterday to attempt to get Bill No. S-4081 and A-2102 out of committee and ready to be voted on before this Legislative session. I wish to thank everyone who gave me the opportunity to meet with me. Nineteen individuals from the first tier mentioned above, anywhere from 10 to 20 minutes. I even went to the Governor's Office, but no one was able to meet with me since I did not have an appointment. The reception gave me phone numbers to call from home. I had the great honor of personally meeting Senator Kemp Hannon; he is more handsome and younger than his photograph portray him."*

*"To my disappointment, I found out that these bills were doomed when the budget was passed. The money which comes from these bills which goes to the New York State General Fund from Long Island Power Authority has not been replaced, therefore these bills were going nowhere. Little did I know, did anyone know, that Long Island is having an extreme financial crisis and they are in debt over their heads. The Long Island Power Authority is charging their ratepayers the nation's highest rates. Even Comptroller DiNapoli has confirmed this fact. On April 7th, 2011" --*

### ***Beeper Sounded***

Okay, I understand that. In any case, I let them know about the Senate Energy Telecommunications Community hearing about all problems with LIPA and I told them that we would continue paying the nation's highest rates. Somehow or other, the Governor wrote me a letter directly, you have a copy of it there. I'll just read the letter, it's addressed to Rose Van Guilder;

*"Thank you for your letter of June 7th, 2011, and for sharing your perspective on Assembly Bill 1202. My staff and I will continue to evaluate this legislation. As always I will carefully consider the merits of all bills presented to me before exercising any executive action."*

This is where this bill was killed.

*"Please be assured that we will keep your thoughts in mind during any discussion on this matter. Once again, thank you for writing and please feel free to contact my office with any further matters of concern. Sincerely, Andrew M. Cuomo."*

I have written a response to his letter thanking him for his letter;

*"I'm pleased to hear that your staff and you will continue to evaluate this important legislation for Long Island and Rockaway. I shall contact your office to find out the disposition of this piece of legislation after I complete a Freedom Works Boot Camp Program in Washington D.C.. The ratepayers of Long Island and Rockaway appreciate the efforts that will be made on their behalf. Thank you for your cooperation. Sincerely, Rose Van Guilder."*

I wanted you to have a copy of this letter in case any of you would also like to respond. Because these piece of legislation, I would rather see the \$504 million going to pay the debt at Shoreham, which is what I told him. The balance of the e-mail you have, so you know that I address every single concern that we have with LIPA, and I told him about the over collection of funds, the over collection of the fuel surcharges, the commercial rates that the residential ratepayers are paying and every other concern that I have with LIPA and that you have with LIPA. And the Governor, it must have had an impact on him for him to address a letter directly to me, and I wanted to give you the complete file. And you are more than welcome to address any letter that you want to him concerning it and I hope it helps. Thank you.

**CO-CHAIR CORDARO:**

Thank you very much.

**MS. VAN GUILDER:**

By the way, I have the copies of the bills with me and the Assemblyman and the Senators who wrote those bills. Senator Fuschillo is a cosponsor and Senator Maziarz who is the Energy Chairman is a cosponsor, and many of the Long Island Senators are also cosponsors. So I have that right here. If any of you would like it, I can pull them out of the computer, so whoever would like it, you are more than welcome to have this. I came fully prepared. And what the bills say is that it repeals Subdivision 6 of Section 18-A of the Public Service Law which eliminates the New York State Assessment that goes into the General Fund.

**CO-CHAIR CORDARO:**

Rose, if you could give copies of those to the stenographer for the record.

**MS. VAN GUILDER:**

Absolutely, it's all yours.

**CO-CHAIR CORDARO:**

And thank you very much for your comments. I appreciate it.

**MS. VAN GUILDER:**

You're very welcome. And I plan on going again to Albany, I'm a frequent flier there.

**CO-CHAIR CORDARO:**

I'm sure. Our next speaker is Paul Malik.

**MR. MALIK:**

Thank you, everyone. I'm coming here just because -- just representing myself. Can you hear me. Sir?

**CO-CHAIR CORDARO:**

Yes.

**MR. MALIK:**

Okay. And I didn't plan to come here, but on the 17th of this month I had to go to the so-called LIPA/National Grid office in Deer Park or Melville, and what I saw there was -- made me so angry, so disgusted, that I said, "I have to do something." I just can't sit here and leave everything to the politicians and people who have some interest in it. I have no interest in this one except saying that LIPA is the most inefficient utility you can come across. When I went to their office on the 17th, I had requested LIPA/National Grid that please send me the form because they wanted a new deposit. I own that building since 1990 and we were living in Northport, 56 Woodside Avenue, since '69, they wanted another deposit, and I said, "What about my electric bills which I pay you four to \$500 a month on those two," one is my business property, one is my home. I said, "Why can't you mail it to me?"

He says, "No, we can't do it."

What I remember is that when I moved to Hauppauge in 1967, 1966 or '67, I had to make the same deposit. In this age -- and I know what it is. The workers in these, respectfully not all, the workers who work for LIPA, and I work for Con Edison and I'm an engineer for all utilities and others. The workers, at least LIPA/National Grid, they think that the more hardship we give to the people, more visits we get from the people, better chances of them keeping their job. In this age, could you believe that they would not put the deposit form on the Internet? That they would make so many excuses, so many excuses to make your life miserable. So that made me so angry to come.

Then I read in the paper today, my wife showed it to me, and she's more angry than I am because LIPA owes her money but they say, "We can't touch it, but pay us this much now and next month we'll collect it." That the solar farm they're talking about; this is another hoax where these people are putting on us. There is no -- there is no benefit in a solar farm. You get 30, 33% reliability on a solar. If you have a solar panel and if you live on Long Island, New York, well, you can't have for 24-hours, so you have power coming to you maybe at the best eight hours. Forget about eight in the morning till ten in the morning and the evening; the heat impact on the solar panel is much less.

Now, what happens if the solar panel is not working or the ice is falling? You have to have the spinning diesel from the utilities, so National Grid, Con Edison or other utilities have to make plans to take care of this thing that can happen when you don't have sun or wind. So I don't know why LIPA is spending so much money on this solar and wind farms. Don't they understand that they are not efficient? Don't they understand that they cost a lot of money and they're not liable? Don't they understand what is happening in Europe, Spain and Germany, that all the companies are going caput, bankrupt, because they're putting so much money, the interest? I didn't know that. That we are subjected to this \$500 million; is it for a year, every year?

**MS. VAN GUILDER:**

Pre-tax.

**MR. MALIK:**

Yeah. I can't believe it. I mean, not only the U.S. Government is broke, we borrow a trillion dollars from the Chinese. We have this -- like we are still paying the sins of Cuomo, Mr. Cuomo, that he built that plant, and thank God it didn't operate.

One thing I wanted to say here is that -- and this is the first time I come to any LIPA offices or anything. I did one time, just because I know someone is here, he knows -- I had submitted a proposal, in 2009 there was a proposal to convert Shoreham into some kind of plant, but my -- I was rejected because I didn't have any experience in the shopping centers. I don't think they ever



did anything. The job went to someone from out of town, off of Long Island who was very good in shopping center design. And here we rent, we submitted a proposal, our objective was to reduce the cost of electricity, build some plant which give you more revenues so you can reduce the cost. Everyone here is talking about more and more debt. Why are we building solar plants? Let's pay up, pay back our debts.

All right, so that's what it is. Now, I live on profits. I don't know why they don't like dividends. All my friends -- and I'm a senior citizen, all my friends have a lot of investments in the utilities, and that's good because the interest saves on your bank accounts is back to zero. So the only thing we live on, and my friends who are the same, is the dividends from the utilities. And believe me, because I used to work for Con Edison. You can hit -- utilities bang on them stronger than you can hit something like a municipal corporation. I said -- conclusion. I said that we auction LIPA as soon as we can, get rid of it, and later take out New York Power Authority, that's another boondoggle. I don't think the government should be in this business. Don't they understand that Europe and all the other countries, the businesses that are taking over the utilities and the roads. So auction off LIPA and later take care of New York Power Authority so the politicians can't use these facilities for their own profit and the government should try to let the private companies run the businesses. Thank you, gentlemen. Thank you.

**CO-CHAIR CORDARO:**

Thank you. Carmine Vasile.

**MR. VASILE:**

Good afternoon. My name is Carmine Vasile. By way of my background, I used to manage a program on nuclear power plant safety. We used to give out grants every year. LILCO never applied for a grant, BNL never applied for a grant; this was when I was in California.

Now, before we start, a point of order. I have a copy of the audit, the first audit for the Long Island Power Authority and subsidiaries. Who's the subsidiaries; does anybody know?

**CO-CHAIR CORDARO:**

As I stated at the outset of the meeting, we're not going to get into a dialogue or answer questions. We want to leave enough time --

**MR. VASILE:**

Well, that's a point of order. You say -- you constantly say this is LIPA. LIPA is a DBA; it's Long Island Lighting Company doing business as LIPA. Now, Ed Romaine raised the thing about interest. The way I understand it, a private corporation has to pay taxes LILCO -- I meant taxes, not interest. LILCO is not tax exempt. It's a corporation. Kessel was the first CEO, then Kevin Law came, I don't know who it is now. How can -- just because a private authority -- a State authority acquire a business, how did it become tax free? And if they were tax free, they should have been tax free since 1998. That's right in your bailiwick when it comes to the money.

Okay. Now, another question. I'd like to read a statement here, and this is very important. I know you're not going to answer the question, but this is from an affidavit by Eric Neutzen:

*"Mr. Stein's findings and conclusions are unrefuted. Throughout the course of numerous hearings with the SSD and Worker's Compensation, it was discovered and proven that Brookhaven National Lab has a contract with the Northport Power Station to burn their contaminated toxic oil and waste fluids. It was also determined that the Northport Power Station has been a subcontractor for BNL, Brookhaven National Labs, from 1991 to the present."*

Now, Joe, you were watchdog; were you aware of this, that Brookhaven was burning radioactive waste in Northport.

**MR. SCHROEDER:**

(Shook head no.)

**MR. VASILE:**

So how are you going to repower a power plant that's contaminated? Nobody brings this up. Now, this is very important for the finances of LIPA. This is a program, it's called the -- it's got a stupid acronym, it's the Energy Employees Illness Occupation Program. All LILCO workers are eligible for compensation under this program because LILCO is a subcontractor of BNL. I work for Grumman, I'm eligible. I also had a contract with BNL, I worked for Boeing/Rockwell. This is a program that was passed in 2000 and we were not notified until last year. BNL left us all to die, including LILCO workers that were poisoned by radioactive waste from BNL.

Now, the Worker's Comp, the way I understand it, you guys are self-insured, LIPA's self-insured. This could come from the Federal government. You can off-load millions of dollars in Workers Comp on the Federal government. But yet nobody even notified any of these people. The way Eric found -- Eric {Neutzen} found out about this, this is his affidavit which I can leave with you, I called him when I found out about this and we called up, it's called the NNSP, National Supplemental Screening Program, to get screened. It's for people that worked in the nuclear weapons industry and we have been poisoned by exotic poisons our regular doctors don't know anything about.

I went for my screening, I found that I have COPD; I never heard about it until I got it. I have {Hashimoto Disease}, atrial flutter; all of this was misdiagnosed because we weren't notified about this program. And when I went to the Town Hall meeting last year, I asked the Department of Labor, why weren't we notified? Why weren't LILCO, Grumman, Brookhaven workers notified? She said, "We notified everybody by e-mail." My Uncle Pat was 86 years-old, you think he went on his e-mail? He had a tube, he had cancer, he died, he had to take out insurance policies and loans on his house to pay his copays. This is a huge problem.

I have this report from the EPA and I filed a complaint about the Emergency, Planning and Community Right-to-Know Act, it's called EPCRA. According to this, LIPA filed -- LILCO, whatever their name is -- was filed these notices about the Community Right Act. Now, I'm going to read it into the record. This is the first public notice ever published in the Suffolk County News last week, after the EPA warned them to do it;

"Public Notice; Suffolk County and LILCO Emergency Planning Committee. Please take notice that pursuant to the provisions of Section 324-B of the Emergency, Planning and Community Right-to-Know Act of 1988, copies of the Suffolk County Hazardous Material Response Plan, material safety data sheets and the emergency and hazardous chemical inventory forms required to be filed under said law and any subsequent file emergency notices which may be issued in the future are available for public inspection in the manner provided in said law at the Suffolk County Department of Fire, Rescue & Emergency Service Administration Building, 30 East Yaphank Avenue, New York, Monday through Friday, Commissioner Joe Williams."

Now, how did BNL ship radioactive waste to be burned in Northport without filing an MSDS? How did Northport ship radioactive waste to be put in the Brookhaven Landfill without filing an MSDS? How did they get away with this? Lesko was a U.S. Attorney. I raised this issue to him because there was a meeting here, that's how I got involved in this stuff, it was "Stop the Stink Coalition, a full-page ad here. They had to evacuate a school under Brookhaven Landfill, 129 kids. There's fly ash in that landfill that they were mixing with New York City sludge. Do you know what that releases, does anybody have a clue, when you mix sewer sludge with fly ash, what comes out?

They're poisoning the environment. I've asked -- I met with Senator -- what's his name? The new Senator, I can't remember his name.

**CO-CHAIR CORDARO:**

Zeldin.

**MR. VASILE:**

Zeldin, this morning, and I asked if he could write a letter to Governor Cuomo to have the landfill to create a Superfund site. All the other landfills are on Long Island, North Sea, Islip, Huntington, they're Superfund sites. LILCO has been sued for poisoning these landfills. Now, where in the electric bills do you see any of this? The Worker's Comp, the overhead, the poisoning people, the death benefits; where in the budget is that accounted for? Does anybody know? Does anybody care?

**MR. GORMAN:**

Could you tell us?

**MR. VASILE:**

They're not, I couldn't find it. I looked at every single budget. You cannot find where they account for that. These are LILCO liabilities. The only thing they talk about is LILCO is on the hook in this lawsuit, LILCO is on the hook in that lawsuit. LILCO is a subsidiary of LIPA, that means we're on the hook for what LILCO did. But the thing about this EPCRA, there's criminal and civil penalties. The same thing with the MSDS sites. Now, those things, they should -- everything should be known what's in those sites. Every toxin is supposed to be on file with the LEPC. We went there last Thursday, what they told us is this; "You have to make an appointment. It's not really public information."

So we made an appointment, we've got to go back next Thursday. The woman said they don't have MSDS sheets. They were burning radioactive waste in {Culvanta}, it's in the New York Times. Shipping radioactive ash to Brookhaven Landfill and to Islip, radioactive scrap metal to Gershow. How do you get away with this without going to jail? They violate the Clean Air Act, Clean Water Act, every act there is they violate and no one gets prosecuted for this. And then you get people coming in here, "Oh, we've got to repower the power plants." How are you going to repower a radioactive power plant?

**MR. GORMAN:**

Have you spoken to the District Attorney?

**MR. VASILE:**

I tried, you can't get through. I tried.

**MR. GORMAN:**

You can't get to Catterson?

**MR. VASILE:**

No. Catterson? Spota. No, they tell you, "Put it in writing." They will not meet with you. This is the EPA. I contacted the EPA, they're going to do something, hopefully. Because I have proof that BNL had many contracts with LILCO. I just got this today, it's BNL contract 47181, condensed leakage in Northport Power Plant, a Proof of Concept Study. That means everybody that works for LILCo is eligible under this program. This is very, very important to the finances and the health. Everybody here is worried about finances, I'm worried about health, and finances should be secondary. So, anyway, that's all I have to say. If you want any of this, I'll give it to you. Anybody want any of it.

**MR. GORMAN:**

Please leave it all.

**MR. VASILE:**

Huh? Okay.

**MR. GORMAN:**

Please leave it all so we can get it in the record.

**CO-CHAIR CORDARO:**

Thank you, Dr. Vasile. The next speaker is Peter Quinn.

**MR. QUINN:**

Good afternoon, gentlemen. My name is Peter Quinn. My past association with LIPA goes back into the 1980's, and I served on Steve Levy's Energy Advisory Committee and currently serve on Suffolk County Electrical Agency. So I've had a lot of years to deal with this, but I -- since I spoke at the last meeting about debt service, amortization and interest payments, I pointed out at that time, based upon LIPA's budget which was \$4 billion, I have to serve you with a correction in your own memo for today because you do say LIPA with a \$3 billion annual budget and it's actually four. So before this gets disseminated and circulated as fact, I'd like you to correct it.

And then I pointed out that we were paying, as a result of the debt service amortization and interest, \$640 million annually, to the bonding services, the rating agencies and the bond holders. And this chart comes from 2009 LIPA's budget, has a color bi-chart showing what I've stated as fact, that we are currently paying 16% of that \$4 billion, or \$640 million, for those services that are provided plus interest. I suggested that you remedy the problem by having a public hearing involving the rating agencies and the bonding firms confronted by public officials. I indicated that I went to Senator Schumer last August and made this recommendation and we met with him on an occasion -- his aide, Jill, several months ago and we haven't been able to get any remedy, and yet in the Long Island Regional Planning Council's report from December, they include on page 50 a comment dealing with near term solutions for energy and they said it might be available through LIPA's debt refinancing; "Senator Schumer has introduced Federal legislation to allow LIPA to refinance nearly \$7 billion of outstanding debt at a reduced interest rate, estimated to save ratepayers 150 to \$175 million on an annual basis." What could we do with that money? We could certainly reduce the debt and at the same time introduce a crash program for solar energy and renewable energy programs. Those are the directions we have to be moving in.

The -- you have commented -- Irving Like commented about LIPA and the liabilities approved when -- that they had originally owned themselves, all these liabilities for their manufactured gas plants, and the original deal was back when Genco and BUG, Brooklyn Union Gas, and KeySpan were around, that they would expect full liability. Now, one thing you should be investigating is how to remedy that so that the consumers of LIPA don't incur all of the debt for those liabilities which ultimately went to National Grid and they assumed responsibility. It seems to me prudent to ask the Governor -- and by the way, you should be invited along with Senator Schumer to that kind of public hearing. If you want to seek remedies, you've got to have the kind of people there who can move the agenda in our favor, and one way to do it is make sure the room is crowded with citizens like me who are there to challenge the public officials to make the right -- take the right position and remedy some of the problems we've been facing for the last several years.

*(\*Beeper Sounded\*)*

All right. I had other things to stay, but I understand you're having two more meetings between now and the year period of time is up, so I'll raise those questions or else put them in writing that I'm concerned about. Thank you very much for hearing me.

**CO-CHAIR CORDARO:**

Thank you, Mr. Quinn. Just a reminder; anyone else in the audience who wants to speak, please fill out a card and we'll be glad to hear from you. The next speaker is Peter Maniscalco.

**MR. MANISCALCO:**

This is a bit like old home week here. Irving, it's always a pleasure to see you. I've been at this for 35 years, you've been at it longer than I have and you're just an inspiration to every one of us who loves this Island and our citizen servants in the best way possible and it's just great to see you, Irving. Shelly, as always. I guess life has a sense of humor to have Matthew Cordaro as a Co-Chair of this committee and his affiliation with LILCO and Shoreham, but it seems like we're on the same side of this particular issue.

I've worked on energy analysis for more than 35 years on Long Island. I'm an environment educator, taught at various colleges, I was the Coordinator of the Stop Shoreham campaign, I was one of the people who worked on the strategy to keep the Broadwater facility out of Long Island Sound when our friends at the Shell Oil Company and Governor Spitzer thought they had a done deal locked in to Long Island Sound, but Mr. Spitzer ran into a little difficulty there that kind of overcame his wanting to put that facility in the sound.

The -- the LIPA issue today merely is symptomatic for me of a far deeper issue, and that deeper issue is the Wall Street and corporate corruption of the political system. The LIPA Trustees appointed by the State, five State leaders including the Governor, they end up appointing people who are very friendly to Wall Street and the corporations. Because the money people, the Wall Street, guys pour money into their political campaigns, and basically the Trustees do the bidding of Wall street and the Corporate interests. By serving Wall Street's interest and the corporate interest, the public interest gets undermined. Until we figure out a way to change that -- and I appreciate what Irving is saying, which if it was a municipal authority and if we had control of it, that would be one thing. But until that happens -- and Mr. Steinberg who's trying to run this thing on a fast track by having two public hearings in July and August; well, he can have them on Christmas and Roshashana which may be the only, you know, two worse times to do it. And it's obvious that Mr. Steinberg is a front man for Wall Street. He's trying to, you know, just run this down the track, run it by everybody, and I'm saying this really as a way for us to think through how we move forward. We're very creative people in Suffolk County, we've done many wonderful things, and I'm sure we can work this through, but let's make sure we're talking about the right issues. Let's not talk about fog, you know, there's a fog here that we have to see through.

The -- what I see is that the money, the interest, the Wall Street interest have turned LIPA into a cash cow. This vast indebtedness that we all pay, we are the ones who are providing the milk. And so if you look at the world as a whole, they have been very successful in turning not only LIPA but many places that have large, centralized public monies, they've turned them into a large cash cow. And basically this is a third world model. This is exactly the way these large corporations suck all of the money out of the third world. They put them in a situation where there's vast public debt, the people are oppressed, they're turned into surfs, and I would suggest to you that that's what we're becoming is debt surfs, indentured servants is a word that I remember particularly from high school. And so they've been successful in shipping this system in a way that we are debtors, we are indentured servants. Until we find a way to change that, to me there's nothing going to happen.

Mr. Steinberg can be replaced, but if you replace Mr. Steinberg with another Mr. Steinberg, what do we get from that? And so we have to be careful in only thinking that replacing Mr. Steinberg is going to change anything.

**(\*Beeper Sounded\*)**

I'm just going to take a few minutes, please? In terms of energy policy, I think it's really important. I work with Shelly at Action Long Island on the Renewable Energy Committee, and in the study that we've done, it's really important to see energy policy in three steps where the first investments would be made in energy conservation and energy efficiency. The Department of Energy has just released the study that shows that up to 50% of the energy in the northeast is wasted, and we still don't have -- and if 50% of our energy is wasted and we do repowering, it makes no sense at all. It's like doing -- you would first do an energy audit of your house and the first thing you would want to do is save as much energy as possible before you put in a heating system. Well, what we're doing is just irrational and doesn't serve the interest of the people, it doesn't serve the interest of the economy.

There are studies today and we're producing another one that will show that there's more job creation in energy conservation and efficiency than any other energy investment. So first we would do conservation, we would save 50% of the energy that's being wasted. Then we would do renewable energy in other -- wave energy, wind energy, other forms of renewable technology. And lastly, if there was any need for a fossil fuel repowering or a new plant, then you would do it. You would not do this first. Repowering plays right into the Wall Street people's hands, large amounts of money to -- and it will undermine doing any investment in conservation and renewables.

And we should remember that in the 1997 agreement between LIPA and KeySpan, all of the environmental costs of working on those power plants have been shifted to the public? It was -- we have Governor Pataki to thank for that. Those costs which are going to be multi-millions, if not hundreds of millions of dollars, have already been shifted to us. So every time one of these agreements goes forward, the public merely is just seeing or seen as the cash cow for these guys to milk us. And we're going to get fleeced again unless we educate the ratepayers so that they stand up for themselves.

It's always a great pleasure to be in this building, this County that I love dearly. And I hope and trust that you, along with the rest of us, can make this a debate so that the public will have a chance to choose their fate as opposed to it just being foisted upon them. Thank you.

**CO-CHAIR CORDARO:**

Thank you.

**CO-CHAIR SACKSTEIN:**

Peter? What are your thoughts about this rush to sign the MSA and the BPA?

**MR. MANISCALCO:**

I think anything that's rushed -- I mean, we're old enough, we've all been around the block. If you are trying to run something down the fast track, there's something that you don't want to take a look at and I think that's what always harms us, when there's no detailed look at any agreement. It's to serve someone's interest, and by doing that, Mr. Steinberg, to me, reveals himself to be an agent of those people.

**CO-CHAIR SACKSTEIN:**

Thank you.

**MR. LIKE:**

Peter, I think the record should also indicate that you achieved some measure of immortality when Judge Weinstein quoted you in his landmark decision on the issue.

**MR. MANISCALCO:**

Yes.



**MR. LIKE:**

He selected from among the statements of the public something you said that appealed to his poetic instinct.

**MR. MANISCALCO:**

Yes. I'm happy that the Judge did that and he did call me on that, Irving, and I said, "It's okay, Judge, you can use it." (\*Laughter\*)

**CO-CHAIR CORDARO:**

Thank you. Are there any more people in the audience who wish to speak? Seeing no indication, I'm -- I'd like to ask any of the committee members who would like to make some comments? We have a little bit of time, so --

**MR. GORMAN:**

I'd like to make two motions. The first motion I'd like to make is that we consider inviting the Governor down; I would recommend something like Stony Brook University, in their auditorium. And we have some sort of discussion with him directly, or at least allow him some sort of forum. We may want to invite some other people. That's my motion; anyone want to second it?

**CO-CHAIR SACKSTEIN:**

I'd like to second that.

**CO-CHAIR CORDARO:**

Okay. Just in -- for the purposes of discussion, I don't disagree with the motion or the intent of it. I just think, since this is a public hearing, that we should hold off on that until we have a formal meeting of the committee and then take that up as part of our business.

**MR. GORMAN:**

Then you're not going to like my second motion --

(\*Laughter\*)

-- because my second motion -- my second motion is based on what Carmine had to say, I think that we have to look into the health and safety issues he's discussing, I think we have to review that information, and we should take whatever our findings are to the District Attorney. Anyone want to second that, or am I alone.

**CO-CHAIR SACKSTEIN:**

I would second that if Matt said it's okay.

**CO-CHAIR CORDARO:**

It's not me saying it's okay or it's not okay, it's just that it's a matter of policy and procedure here. Again, I don't disagree. I think it's sort of obvious that we're going to look into those things, I mean, there's no question about that. It's a matter of the fact that we're gathered here in a public meeting, not here to deliberate among ourselves and to debate motions per se. I don't agree with -- I don't disagree with the intent or the meaning or the purpose of the motions, it's more of a technicality and a matter of procedure rather than anything else.

**MR. GORMAN:**

So I'll bring it up the next time we have another meeting; is that what you're suggesting?

**CO-CHAIR CORDARO:**

Yes, that would be my recommendation.

**CO-CHAIR SACKSTEIN:**

Will we be inviting Mike Hervey to come visit with us at the next meeting? That is not a motion.

*(\*Laughter\*)*

**CO-CHAIR CORDARO:**

Well, I think there's no question at some point we should hear from LIPA before this committee, that goes without question. It's the matter of just the timing of it, and we can discuss that. Irving?

**MR. LIKE:**

I agree with the criticism that you've heard not only from my colleagues here, but from the public as to the dismal record of LIPA and National Grid. I agree with their calls for an independent audit of their management and performance. I oppose any proposal to privatize LIPA. I support municipalizing LIPA and staffing it with qualified professionals. But I go a step further, and this is what I said at the very beginning, the LIPA Board of Trustees should be qualified volunteers elected by the ratepayers representing 21 ratepayer districts, and LIPA should be subject to PSC review of its rates and performance. Without an elected board, we can't be sure that LIPA will be a fiduciary, transparent and accountable to the ratepayers. And we can't be sure that any reforms that our committee calls for will become a reality.

The Statute which created LIPA provided for precisely that type of an elected board as the method of its governance. It reflected the opinion of 70% of the people of Long Island as the solution to getting rid of the Shoreham Nuclear Plant. That opinion was thwarted when LIPA was changed to a board appointed and controlled by Albany politicians. I trust the good sense and spirit of the people of Long Island and their willingness to volunteer for their common benefit. I trust our governmental representatives to respond to the will. They will see to it that an elected LIPA Board will serve to their benefit and not be vulnerable to abuses of the type our committee has uncovered.

I'm confident we can succeed if the people demand it. They have a great track record. Let me give you some examples of what I consider to be this County's pioneering historic achievements which are a credit to its people and their government. The first defeat of a commercial nuclear plant which had a design similar to that of the failed Japanese plant at {Fukushima}; the adoption of the farmland and other open space preservation programs; the support for the creation of the Fire Island National Seashore and defeat of the Moses Road; the opposition to off-shore drilling for oil and gas in the mid Atlantic; the creation of the Pine Barrens and other programs to protect our sole source drinking water aquifer. And as County Legislator Wayne Horsley pointed out, the opposition to KeySpan and National Grid's delay in failing to clean up the hazardous waste generated by their abandoned manufactured gas plant facilities to the satisfaction of the County Health Department and then charging the ratepayers for the cost of the clean-up. And finally. It was Suffolk County citizens that led to the formation of the litigation on behalf of the two million Agent Orange veterans against the chemical companies.

So I say now's the time for Long Islanders and their government to rise again and create a new LIPA. An elected LIPA Board is the change we should demand. It will be truly representative of the wishes of the ratepayers because the creation of 21 ratepayer districts is less vulnerable to gerrymandering abuse for political advantage that too often occurs in redistricting. An elected board is more likely to carefully oversee LIPA staff and their performance because the directors themselves can be denied reelection if not effectively representing their ratepayer constituents.

I believe it would also be more likely to prioritize programs of conservation, energy efficiency and renewable energy sources to reduce costs and protect the environment. I believe it is also more likely to enforce the National Grid/KeySpan obligation to clean up the 15 manufactured gas plant related sites which LIPA has neglected to enforce since 1998. It's more likely to monitor and gain the efficient performance of any power supply or energy management agreement with third parties

such as National Grid. It's more likely to comply with the investment guidelines that are applicable to public authorities. And it's more likely to benefit from the new information technology and social network tools that are emerging and which will stimulate and enhance interaction with the ratepayers.

The eminent jurist Oliver Wendel Holmes said, "A page of history is worth a volume of logic." I say that history and logic call for the recreation of a ratepayer elected LIPA Board.

**CO-CHAIR CORDARO:**

Thank you very much for your commentary. Joe, did you want to say something?

**MR. SCHROEDER:**

I would just like to say quickly that I want to thank everybody for coming in today and making their public comments. We do need more public participation. Written into the Management Service Agreement that LIPA's considering for renewal extension or award to others is a two-year transition period. That contract is due to expire in May of 2013, so by my reckoning, they're actually behind. So they're not rushing to judgment on award, they're actually behind on award of a new contract if they, in fact, need a two-year transition period.

With all the issues at stake here, they're liable to be delayed even further because the organization of LIPA is going to weigh heavily on whether or not a Management Service Agreement is even required if they fully municipalize. But I would like to encourage the public to come forward with their comments and concerns as we hold these public hearings, because our deliberations are going to be based on what we get from them.

**CO-CHAIR SACKSTEIN:**

Joe, I think that's an important point to make. And I think at the same time, it took them a long time to get to this place. And if my recollection is correct, at one point they did do what was called the restated, amended Management Services Agreement where they extended it out, and I'd rather extend it another year than find myself bound for 15 or 20 years into an environment that is not necessarily in our best interest. And I don't mean to debate it with you, but I think that if the government had taken that latitude previously, I'd just assume sit in that seat for a moment in time and find myself with the options of really deliberating this thing. And we have not yet been able to put it out into the public.

I'm delighted, as you say, for the outpouring that we got here today, I think it's five times, ten times what we've had in the past. It is in Riverhead, thank you for those who have made the long trip. But at the same time, I think what we have to do essentially is what Irv had said, you have to now use your own data base. You have to use your own organization. You now have to begin an outreach to the public that is absolutely essential and might not have been possible years ago and use your electronic media and the folks that you know to get the word out there. Because what we have to do at this moment is we have to stop this train, the train that we have been pushing for in Action Long Island for many, many years to finally get a legally bid contract, get it done in a transparent manner. Which I can tell you having -- as Legislator Romaine said, I and my organization were shut out of the proposer's conference, a "transparent" conference, which I put it in quotes because in reality it has not been; if it would have been, then the State Comptroller wouldn't be having the problem he's having right now getting the information from LIPA; they are just not communicating. So this rush forward is of deep concern.

I do categorize it as a rush forward, because if they extended it once before, albeit we opposed it, it was illegal, they shouldn't have done it. The first contract was illegal, they shouldn't have done it. But guess what, Ladies and Gentlemen? When Action Long Island started to push for the takeover of the lighting company in 1993, we had a certain formula that we had in mind that would be in the best interest of the ratepayer. But when the deal came down, when the Pataki deal was structured,

we saw at that time that it was not going to be in our best interest and we changed our mind and we said, "Stop." Well, guess what, we're prepared to change our mind now to say, "Slow this train down. Don't lock us into an agreement that is going to foreclose our options in terms of municipalization and privatization." And frankly, from what I'm hearing here today, most of the folks in this room say do not privatize this entity, but do not reconstitute it into a viable, fully working municipal authority. We have squandered the LIPA statute over the last 15 years and now it's time to do it and do it right. Run it like a business. It doesn't have to make money, it doesn't have to make a profit. It doesn't have to pay taxes, it doesn't have to pay dividends, but it damn well has to do a good job in the best interest of the ratepayers and it has not been allowed to do that.

So today I think Peter -- and Peter, I'm delighted to see you here, it's exciting to see you again. I think here we are today making a choice and we have the flexibility to reach out now and let's send e-mails to all of our elected officials, let's tell them how we feel. Send copies of those e-mails to us at the Oversight Committee. Let's let this message go forth from here that we really care about what's going on and this is a chance to weigh in. I care, I deeply care, and I'd like to make sure that -- and I know you all do too, that our message is heard.

So Peter and everybody else, Joe, I'll live with it for another year. I don't like it. And I think it's also very important that there's a very clear distinction between LIPA and National Grid. Whenever something goes wrong we say LIPA did it, but let's not forget, it's not LIPA doing it, it's National Grid that's making these decisions, making these calls, sending these bills, overcharging us. So you know what? Let's be very cautious when we say LIPA/Grid, it may come that way on the bill, but it is not the case. LIPA is the Long Island Power Authority. And yes, you're right, Carmine, then they play that little game called "doing business as", LILCO doing business as LIPA.

And last but not least, I said it on Friday, I'll say it again, I think we need to find a way, create a mechanism that protects all of those union laborers, folks who are doing the work over at, what was that, 1049, gentlemen? Okay? I think that's important. Because they have been pawns in this process from day one and they were the only skilled labor with the personal knowledge to run that system. KeySpan, Brooklyn Union Gas, they couldn't find the light switch when they came out here. So let's make sure that these folks are taken out of players being pawns in this process. So thanks for your help.

#### **CO-CHAIR CORDARO:**

Thank you, Shelly. I think if we're successful in transforming the structure of LIPA ultimately into a municipal entity, which seems to be the suggestion and something that I wrote about maybe a month ago now in the Long Island Business News and laid out the process by which that would take place, from my experience that is the best system from the standpoint of a public utility. I ran a public utility exactly like that. The LIPA model is -- the way it exists right now with an MSA and a contractor, it doesn't exist anywhere in the country because it doesn't work. Public utilities throughout the country pretty much are self-contained, they're not utilities on paper, they hire the workers, they pay the workers, they supervise the workers. And if we could transform the structure on Long Island to duplicate pretty much what is the case for other public utilities throughout the country, I think we'd have a better situation and we'd have no need for an MSA. So the whole argument about what rate we should proceed and bidding out an MSA would be moot at that point. And from the standpoint of priorities, I think that the big priority is to make sure the structure of LIPA is changed and is acceptable before any decisions are made on contracts such as an MSA.

I also want to just quickly comment on Irving's remarks. I respect Irving's comments on the LIPA governance structure, his views are very well thought out, as Irving's views always are well thought out. And I definitely agreed that something needs to be done to revise the governing structure and the board structure at LIPA. And in fact, an elected board, in my view, would be better than what exists what's in place right now with LIPA. I do have some reservation about an elected board,

however, and that comes from my years of experience in the public power industry and traveling the country and observing the governing structure of the public utilities. My experience in that regard or what I've seen is that elected boards don't function as well professionally based boards where board members are selected because of professional qualifications and not because of political associations. And from my personal preference, although I'm still open to considering other alternatives, and one of those alternatives, if there's no other way other than an elected board, or if we have to say with what exists right now, I'd support an elected board. However, if the question is open and we could come up with the best arrangement, I would prefer a professionally based board.

Now, there was someone in the audience who was raising their hand before and wanted to speak. Let me acknowledge you, and if you want to say something, come up.

**MS. RIZZO:**

Good afternoon. My name is Elizabeth Rizzo. I did not plan to speak and I did not come here prepared, but I was listening to the audience and I really feel the need that I have to say what's on my mind.

My husband and I have been the subject of a series of articles in Newsday on being over charged by LIPA in terms of our rates. We were a commercial -- we were designated a commercial rate when we lived in a residence. And my experience with LIPA has been -- and now I know it's National Grid that I was dealing with, so I'm really here almost on a fact finding to really find out as a resident, I, too, do not know the organization, how LIPA is organized. I think that's a problem with most of the public. We really -- it's not clear about how LIPA and National Grid are organized. However, my own personal experience has been one of -- it's been a journey. And thank God I'm retired because I think that I would never have been able to do this. But I had a great deal of help. I spoke to Irving Like, Mark Harrington from Newsday, Senator Zeldin's office, but it took such a long time and we were so -- LIPA admitted that there was an error in over charging us and we were met with such arrogance, and there was one obstacle after another placed in front of us. I felt as if I was -- you know, if they wore us down we would just go away. There was no customer service representative, there was no one for us to turn to. But I was tenacious in my belief that this was wrong, they over charged us for ten years, they admitted it, and yet they were supported by some of the, I feel archaic, laws that are in place right now, and one of them is that six year -- you know, you can't have a refund, only up until six years. And LIPA also said a number of things that were incorrect. Anyway, the last article about us in the paper is we are getting a refund and they are paying us for the entire ten years that they over charged us at a commercial rate.

The problem, as a resident and as someone who's not really experienced in this type of thing, is that I felt I had no one to turn to and no one who I could speak to about this. There wasn't an organization or a -- there wasn't something like the Better Business Bureau where I could call and complain, there was no one. The public feels isolated. We have become like folk heroes in our community. I mean, we were at a restaurant last night and they gave us a standing ovation. I mean, this touched a nerve with the public because here I am as a resident and as someone who's affected by this, our bills -- that's what the public sees, they see their bill; they open a bill, they don't understand, they see an enormous amount of money they can't afford and you can't complain to anyone. So I think many of the people that were up here had very lofty ideas. They -- do you think, though, that the public relates to this? No, they don't. They relate to their bill, they look at their bill, that's what they're concerned about. We are all struggling to stay on Long Island. I love Long Island but I can't afford to live here.

And so I think that many of the things I heard were long-term things and noble, but I think we need relief now, the public needs something to be -- something to happen now. We need it now, we don't need it a year from now, we don't need it two or three years from now, although these ideas are very noble and certainly need to be in place. So I -- I would like to see -- the first thing I would like to see is an organization that if I do in the future have a problem with a LIPA bill, that I can call

them and I will get results. I will hear a sympathetic person at the other end. Instead we were -- dealing with LIPA was a nightmare.

You know, one of the things that comes to mind immediately is we were told that we have to prove, LIPA told us, the LIPA representative told us we have to prove that we were being over charged for ten years, that we were -- our rate was a commercial rate. So luckily I kept all of my bills for ten years. Went downstairs, got all of my bills, took them to the LIPA office and somehow they made copies of them and we were still ignored. It was just a way to wear the public down and we are tired. Based on everything I'm hearing from my friends, from the community, from the phone -- I walked in the bank today, the tellers came over, "I saw you on TV, I saw you in the newspaper. I mean, really, great job, fantastic, go for it." They are angry, and that's what I'm -- I mean, that's why I had a need, really, to talk today about it. The public -- we need help. We need help, we need an Oversight Committee, we need somebody we can turn to.

**MR. GORMAN:**

You're absolutely right, and we need it now.

*\*Applause\**

**MS. RIZZO:**

That's right, not two or three years from now.

**MR. GORMAN:**

And that's nice that you're clapping, you all should be clapping because she's right. We need it now, we don't need it a year or two from now. This is a big boogie man that we have to fight and the problem, although it's not been said because some people are politer than me, is national greed. They are what's at fault here. You've got a corrupt board. I agree with Irving Like, what we should have is we should have a publicly elected board where people get paid money and have all the political power and everything else that comes with a public position also so they have something to lose. If you don't like what they're doing you get rid of them, and they should have a professional team of experts directly -- not elected, directly working under them. Because when someone comes up and says, "Hey, how about we try this widget, or how about we try, rather than using the three prop plans, we're going to use 5 prop fans. Lets go spend \$7 billion." When you have professionals, you get that kind of crap. Look what the professionals have done, look what Wall Street has done. Look, there is -- the happiness has been sucked out of Long Island by large corporations which ripped us off and you're absolutely right and we should be doing something. And my phone number is 588-6161, you give me a call, I'll put you in touch with a couple of thousand people that feel just like you. And thank you for coming.

**MS. RIZZO:**

Well, I have a group of people from East Patchogue that, I mean, you know, I feel like a hero here. And I -- this wasn't my intention.

**MR. GORMAN:**

I live in Sachem, we're neighbors.

**CO-CHAIR CORDARO:**

Thank you very much for coming.

**MS. RIZZO:**

Thank you.



**CO-CHAIR CORDARO:**

I'd like to point out that what is the case here on Long Island is not necessarily a case in other places in the country. A properly run utility has a very customer centered and sensitive customer service organization that would deal with your problems. I was fortunate enough to be the CEO of one of those utilities, but there are many. It's just not right that that's the case. And I think that those problems are deep-seeded and part of the historical evolution of what's taken place in the merger between Brooklyn Union and LILCO and then the acquisition by LIPA. I think that upset the apple cart per se. LIPA, having minimal resources to oversee and the National Grid contract introduces the potential for oversights to take place in the customer service type function.

I, myself, have my own theory which we will explore as a committee that when these mergers and acquisitions took place, there was some changes made in the billing structure and the computer systems which monitor and operate the building structure. In fact, there was one -- the first attempt at that was when there was a merger between Brooklyn Union and LILCO and that -- the modification and improvement of that customer information system never was completed. It was a multi-million dollar effort, it was never completed. And then when LIPA took over, the Chairman of LIPA and the CEO of LIPA at the time thought it wasn't a great idea that gas bills and electric bills went out on the same bill, which is a very efficient way to do things. And so he dictated that the systems be broken apart and that there be a separate LIPA system and a separate grid system, and I think that introduced the possibility of errors creeping in and mistakes being made in billing. But what you went through, there's no excuse for that.

**MS. RIZZO:**

I have to say, thank God I was retired, because there is absolutely -- I would have given up. When I was working full-time, there was no way I could have ever taken on this task; that's how time consuming. That should not be. That should not be. People should get answers, they should get help, they should understand, that's not the way to handle things.

**CO-CHAIR SACKSTEIN:**

Matt, can I ask a question of you? On those bills, you said they broke apart the gas and the electric bill, but this bill was still coming from National Grid, they were reading the meters, they were doing the billing, they were sending out the bills? So that when she met -- when the lady met with folks from "LIPA", she was really meeting with Grid people working for -- right?

**CO-CHAIR CORDARO:**

Yes, yes, that's correct.

**CO-CHAIR SACKSTEIN:**

All right. Well, I just want to make sure that she understands that at no point was she really dealing with the Long Island Power Authority directly.

**MR. SCHROEDER:**

You don't know that.

**CO-CHAIR SACKSTEIN:**

Well, I don't know that, I'm asking that question. The folks in the field generally speaking are great employees working under the MSA.

**MS. RIZZO:**

I have to say that I learned that today and that the public does not know how LIPA and National Grid are organized. They're truly -- they haven't got a clue. I didn't have a clue and I'm learning today. I'm learning and I will be at other meetings because I want to know more. Maybe to start with, a pamphlet or something to educate the public.

**MR. GORMAN:**

Ma'am, the gentleman behind you in the blue shirt, his name is Carmine. You should talk to him, because chances are the rate that LIPA just gave you is not the best rate that you're entitled to. So why don't you speak to him and maybe he can give you some advice to do a little better.

**MR. VASILE:**

What you want is in the LIPA bill.

**CO-CHAIR CORDARO:**

We can't have a discussion out there because we're not picking it up. So if you want to talk --

**MR. GORMAN:**

Go to the mic.

**CO-CHAIR CORDARO:**

One second, one second. I want to say something about this distinction between Grid and LIPA. It exists, no question about it. The LIPA model is not matched anywhere else in the country. But you are LIPA customers. LIPA has the responsibility for providing you service, you write your checks out to LIPA. It's LIPA's responsibility, as part of that, to monitor and manage the efforts of National Grid. And if National Grid cannot do the job, then LIPA should have fired them a long time ago or not even entertained them for the MSA. They need to put people in place or functions in place to do the job properly. And as we said earlier, perhaps municipalization is the right route for that because then there would be no lack of knowledge of who's responsible for what because there would only be one person involved. Carmine?

**MR. VASILE:**

Can I make a comment on her comment? There is a procedure, it's in the LIPA --

**MR. GORMAN:**

Carmine, fix your mic.

**MR. VASILE:**

It's in the LIPA tariff, okay? There's a specified billing procedure, which they don't follow but it's in there. The first complaint you make is to National Grid, the manager of the corporation. I made my first complaint to KeySpan. You do not have to pay your bills until it's resolved, they cannot shut you off. If you don't like the decision, you file an appeal to the Long Island Power Authority. If you don't like their decision, you file an appeal to the Chairman. If you don't like his decision, then you can sue. You cannot sue LIPA unless you go through that billing procedure. Now, I did that, it took me two years. Kevin Law sat on my appeal for 18 months. So the whole LIPA tariff procedure, it's a violation of your right of due process. You cannot get justice. And you were lied to.

**MS. RIZZO:**

I did appeal and you're right.

**MR. VASILE:**

But, you know -- and Mark Harrington, he never writes this stuff in the papers. I've been over billed, I have the wrong rate. There's, I don't know, 30 rates, but, you know.

**CO-CHAIR CORDARO:**

Okay, we're getting out of control here. Thank you very much, Carmine. I'd like to wrap things up, if I could.

I want to thank everyone for attending and making this a valuable part of our process. I want you to know that we're going to hold other public hearings, as was mentioned earlier, and I hope you plan to show up there. And we'll let you know what the schedule for those meetings are and we encourage you, all of us -- all of you to follow our day-to-day activities. We are on Twitter, we are in the process of establishing a website which you will be able to post on and doing a number of other things which will give you some more insight as to our day-to-day operations. But with that, I just want -- we'll take one last comment and then I'll adjourn the meeting.

**MS. FASULLO:**

Thank you very much, I appreciate it. Concerning the elected official --

**CO-CHAIR CORDARO:**

Identify yourself for the record, please.

**MS. FASULLO:**

Sorry; Jane Fasullo from The Sierra Club. Addressing the point on elected board members, I do have some real concerns about that; I think we're in agreement stating that there could be some problems. A publicly elected board with no guidelines for what kind of people or category of people should be in those elected positions can result in a relatively unqualified but popular string of people being seated, and the seats can become the equivalent of political footballs. While I'd like to see a majority of elected people sit on the board, it should have at least one person with extensive knowledge of public utility operations, one from energy research and development to keep the board up-to-date on electricity production options, one with a strong financial and investment background, and at least one with a Clean Air/Clean Water or health related organization since our energy production greatly affects our air water which, in turn, affects our health and our health care costs.

I might also refer you to the many renegade school boards and in fact even municipal boards that I have encountered. When a board is composed and functions independently, in spite of professionals that advise them, there can be unintended negative consequences. Therefore, I suggest that when you're considering this, you might consider a combination situation where you have some appointed people and some elected people.

**CO-CHAIR CORDARO:**

Thank you very much for your remarks. We hope to see you all soon again. Again, stay tuned to our means of communication and we'll advise you as to the schedule. Thank you for coming.

**CO-CHAIR SACKSTEIN:**

All in favor? Opposed?

*(\*The hearing was adjourned at 4:09 P.M. \*)*

*{ } - Denotes Spelled Phonetically*